

## Message Text

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14  
ORIGIN L-01

INFO OCT-01 SS-14 ISO-00 ARA-06 EB-03 CIAE-00 NSC-05

NSCE-00 TRSE-00 H-01 INR-05 INRE-00 OES-02 SP-02

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DRAFTED BY L:SMSCHWEBEL:CDJ

APPROVED BY ARA:JGRUNWALD

ARA/AND:JAALLITTO

EB/IFD/OIA:RJSMITH

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FM SECSTATE WASHDC

TO AMEMBASSY QUITO NIACT IMMEDIATE

C O N F I D E N T I A L STATE 242293

LIMDIS

E.O. 11652: GDS

TAGS: ENRG, PFOR, EC

SUBJECT: GULF DISPUTE

1. WE SUGGEST YOU PROPOSE TO GOE THAT THE ASSURANCES OF PURCHASE OF GULF'S ASSETS BE CONTAINED IN A NOTE TO USG WHICH WOULD HAVE FOLLOWING INTRODUCTION.

2. BEGIN TEXT. ON THE CONDITION THAT, BEFORE OCTOBER 1, 1976, GULF ECUADORIAN OIL COMPANY DEPOSITS IN THE NORMAL MANNER TO THE CREDIT OF THE GOE THE WHOLE OF THE SUM REMAINING DUE FROM IT TO THE GOE, WHICH THE GOE UNDERSTANDS TO TOTAL \$25,812,338.16, THE GOE WISHES TO INFORM THE EMBASSY OF THE USA OF THE FOLLOWING DETERMINATIONS OF THE GOE:

(A) THE GOE EXTENDS TO THE USG THE ASSURANCES OF INTENT  
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TO PURCHASE THE ASSETS OF GULF ECUADORIAN OIL COMPANY,

AS SPECIFIED BELOW;

(B) THE CENTRAL BANK OF ECUADOR HAS CREDITED GULF ECUADORIAN OIL COMPANY ON THE GROSS AMOUNT IT OWED THE GOE THE SUM OF \$27,111,044.10, WHICH REPRESENTS THE AMOUNT REMITTED BY GULF TO THE GOE FOR SALES OF ECUADORIAN CRUDE OIL LOADED BETWEEN 22 FEBRUARY AND 15 AUGUST 1976;

(C) THE CENTRAL BANK OF ECUADOR WILL DELIVER TO GULF IN IMMEDIATELY AVAILABLE FUNDS GULF'S SHARE OF THE GROSS PAYMENT OF \$25,812,338.16.

THE ASSURANCES OF INTENT OF THE GOE TO PURCHASE THE ASSETS OF GULF ECUADORIAN OIL COMPANY FOLLOW: END TEXT.

3. THEN THE GOE NOTE WOULD SET OUT THE FINAL FORM OF THE GOE ASSURANCES TO PURCHASE GULF'S ASSETS. WE CONTEMPLATE THAT YOU WOULD AT THE SAME TIME PASS TO THE GOE A DRAFT OF THE NOTE WITH WHICH YOU WOULD ACKNOWLEDGE THE GOE COMMUNICATION SET OUT IN PARAS. 2 AND 3 OF THIS MESSAGE, AS FOLLOWS.

4. BEGIN TEXT. THE EMBASSY OF THE USA HAS THE HONOR OF ACKNOWLEDGING RECEIPT OF THE NOTE OF THE GOE DATED SEPTEMBER 30, 1976, WHICH READS AS FOLLOWS....

ON BEHALF OF MY GOVERNMENT, I WISH TO EXPRESS APPRECIATION FOR THE DETERMINATIONS AND ASSURANCES WHICH THE NOTE OF THE GOE CONTAINS. WITHOUT PREJUDICE TO ITS ESTABLISHED POSITION ON THE INTERNATIONAL LEGAL PRINCIPLES RESPECTING THE ACQUISITION AND VALUATION OF FOREIGN-OWNED ASSETS, MY GOVERNMENT ACCEPTS AND TRANSMITS THE DETERMINATIONS AND ASSURANCES OF THE GOE IN THE CONFIDENCE THAT EARLY CONSUMMATION OF PURCHASE OF GULF'S ASSETS IN ACCORDANCE WITH THEIR TERMS WILL LEAD TO A SETTLEMENT MUTUALLY ACCEPTABLE TO ECUADOR AND TO GULF AND THUS RESOLVE A PROBLEM IN THE JOINT INTEREST OF THE GOVERNMENTS OF ECUADOR AND THE UNITED STATES. SUCH A RESOLUTION IN TURN WILL CONTRIBUTE TO ENHANCING THE CLIMATE FOR FOREIGN INVESTMENT IN ECUADOR.  
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I HAVE THE HONOR OF TRANSMITTING TO YOUR GOVERNMENT HERewith ASSURANCES BY THE GULF OIL COMPANY TO THE USG THAT GULF WILL PUNCTILIOUSLY HONOR ITS OBLIGATIONS TO PAY ALL SUMS THAT WILL COME DUE TO THE GOE, IN THE CONFIDENCE THAT THE OBLIGATIONS OF THE GOE PURSUANT TO THE DETERMINATIONS AND ASSURANCES OF THE GOE SET OUT ABOVE WILL BE IMPLEMENTED. END OF TEXT. ROBINSON

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## Message Attributes

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**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
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**Disposition Case Number:** n/a  
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**TAGS:** ENRG, PFOR, EC, GULF OIL  
**To:** QUITO  
**Type:** TE  
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